



Neighborhood Assistance Program
(NAP)

Application Workshop

Fiscal Year 2009-2010



Community Development Staff

- Cecelia Johnson-Powell, Community Development Manager
- Brian Philps, Community Development Assistant Manager
- Devyn Smith, Community Development Coordinator
- Community Development Representatives
 - SE: Talisha Bradley, Carmen Lethig
 - NE: Mike Recker, Lisa Weathers
 - NW: Megan Maxwell, Emily Duncan
 - SW: Jennifer Snider, Alan Rakowski



What is NAP?

- ❑ Neighborhood Assistance Program (NAP) offers up to \$2.5 million in tax credits annually for distribution by 501©3 not-for-profit corporations.
- ❑ Indiana State Code 6-3.1-9 establishes the NAP Program.
- ❑ NAP gives the donor incentive to contribute to an organization by giving a tax credit for exactly 50% of the donation amount



Goals of NAP

- ❑ Provide organizations with a tool to increase charitable contributions & build donor base
- ❑ Provide Indiana citizens & businesses an incentive to contribute to not-for-profit corporations.
- ❑ Serve as a creative way to improve the standard of living & quality of life for all Hoosiers.



Award Amounts

- ❑ Maximum Award Amount = \$50,000 in tax credits (\$100,000 leveraged donations)
- ❑ Minimum Award Amount = \$1,000 in tax credits (\$2,000 leveraged donations)
- ❑ Award Term = 24 Months (July 1, 2009 – June 30, 2011)



Award Term

- ❑ By 6/30/10 (Year 1)-100% tax credits must be sold
- ❑ By 6/30/11 (Year 2)-Project must be completed & all donations leveraged from NAP award must have been spent



Eligible Activities

HOUSING

- ☐ Affordable Housing Construction
- ☐ Affordable Housing Rehabilitation
- ☐ Emergency Shelter Housing
- ☐ Community Revitalization
- ☐ Homeownership Counseling
- ☐ Foreclosure Prevention Services

COMMUNITY DEVELOPMENT

- ☐ Child Care Services
- ☐ Counseling Services
- ☐ Earned Income Tax Credit Services
- ☐ Educational Assistance
- ☐ Emergency Food Assistance
- ☐ Job Training
- ☐ Medical Care Services
- ☐ Recreational Facility
- ☐ Transportation Services



Eligible Activities

- Religious Organizations
 - May not engage in inherently religious activities as part of NAP assistance
 - May not discriminate against a program beneficiary or prospective beneficiary on the basis of religious belief



Eligible Costs

- ❑ Salaries and benefits of an individual (employee of the applying agency) that provides *direct service* to beneficiaries
- ❑ Basic construction materials
- ❑ Skilled labor for construction projects
- ❑ Funds used to:
 - Expand a current project
 - Support a new project
 - Continuation of services



Ineligible Costs

- ❑ Administration Costs:
Administrative Assistant,
Consultants, Office Supplies, Rent,
Utilities
- ❑ Complimentary / Non-Stationary
Building Materials: Appliances,
Furniture, Home Accessories,
Landscaping, Driveways



NAP Reporting Process

- ❑ 2009-2010: Semi-Annual reporting
 - *Possibility of implementation of electronic reporting during program year. More information to come during Award Webinar*
- ❑ Once awarded, agency submits forms as follows:
 - Short Form and Reporting Spreadsheet to IHCD
 - NC-10 to IN Department of Revenue
- ❑ IDOR sends each donor an NC-20 form
 - Agencies that are 100% sold will be processed upon receipt of reporting documents



Monitoring

☐ Random Site Visits

- Visit the projects
- In conjunction with other business in your area

☐ Program File Audits

- 20% of the recipients will be selected
- Randomly selected



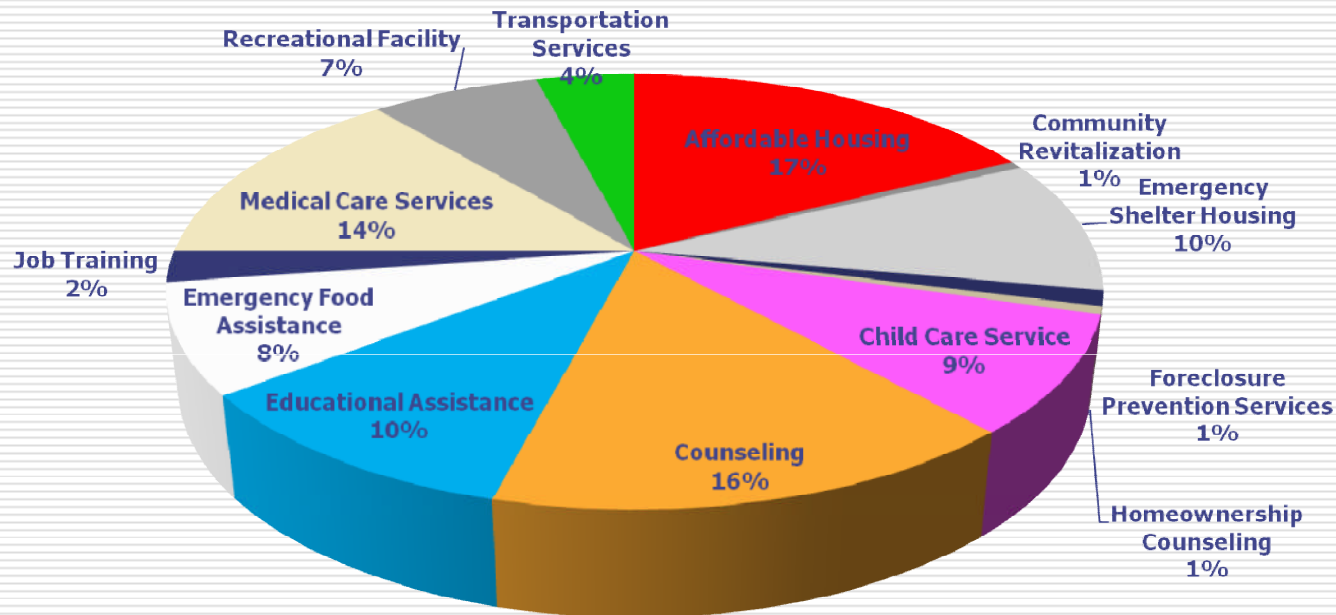
NAP Program Trends

- ❑ 2008-2009 Application Statistics
 - \$2.5 million tax credits awarded
- ❑ 177 applications received
 - \$5.84 million requested
- ❑ 172 applications awarded
 - Housing activities: received 50% of request
 - Other Community Development activities: received 41.6% of request



NAP Program Trends

Activities Funded 2008-2009

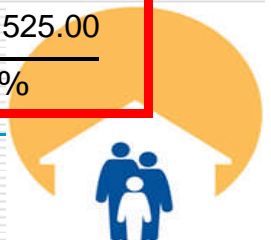


AWARD SUMMARY

| | |
|--|--------------|
| Average Award Amount | \$ 14,546.78 |
| Median Award Amount | \$ 14,996.17 |
| % of Applications Receiving Allocation | 97.18% |

ALLOCATION RATE

| | |
|------------------------------|-----------------|
| Tax Credits Available | \$ 2,500,000.00 |
| Eligible Tax Credit Requests | \$ 5,842,525.00 |
| | 41-50% |



Application Process

1. Threshold and Completeness

- ☐ All required exhibits and attachments are submitted on time to IHCD
- ☐ Meets list of items under Threshold Criteria
- ☐ If an application fails threshold, it will not be awarded NAP tax credits.

2. Allocation

- ☐ Applications that pass the completeness and threshold reviews are then allocated a tax credit amount according to IHCD's published allocation method.



Threshold Criteria

- ❑ To be considered for a tax credit allocation award, an applicant must meet **all** of the criteria listed. Applications that fail to meet **any** of these criteria will **not** be considered for funding. All required supporting documentation must be included in the application.
- ❑ The applicant must be a 501(c)3 not-for-profit corporation.
- ❑ Each applicant must attend 1 Application training & 1 Award training



Threshold Criteria (cont.)

- The applicant must provide community services in an economically disadvantaged area by meeting at least 1 of the 3 following conditions:
 - Meets 2 of 3 Economic Factors of Disadvantaged Area
 - Serves 100% beneficiaries at 50% or less AMI
 - Activity is located in or improving conditions in at least 1 Designated Area



Threshold Criteria (cont.)

- Applicants provide a budget outlining the uses of funds for the project.
- **2009-2010- must sell 100% of credits or not eligible for 2010-2011 credits**
 - 2009-2010- Allocation benchmarks: must sell 60% by end of Mid-Year reporting period



Completeness

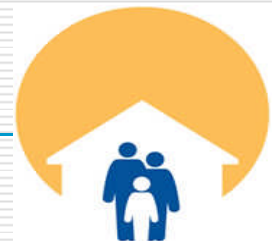
- Submit:

- 1 original w/ tabbed attachments
- 1 completed electronic copy of the final application forms via CD-ROM or diskette.



Completeness (cont..)

- ☐ Do not hole-punch your application and put in a binder. Use binder clip.
- ☐ Please use tabs for all attachments.
- ☐ Applications must be received no later 5 PM (EST) on the published due date (5/1/09) - NO EXCEPTIONS
 - Postmarks are not accepted.



Allocation Method

- ❑ Tax Credit Allocation based on five factors:
 - Applicant's receipt of NAP tax credits in the previous three years
 - Applicants who pass threshold will receive a tax credit allocation.
 - Total Amount of Tax Credits Requested
 - Total Amount of Tax Credits Available
 - Activity Type (Housing or Community Development)



Award Amount

- The formula for calculating the award amount for each eligible applicant is as follows:
 - Total Amount of Tax Credits Available divided by Total Amount of Eligible Tax Credits Requested, which provides the Tax Credit Allocation Percentage.
 - The Tax Credit Allocation Percentage is multiplied by the Eligible Applicant's Tax Credit Request.



Funding Limitations

- ❑ An organization has received a NAP award in one or more of the last 3 program years= eligible for up to \$50,000
- ❑ An organization has not received a NAP award in the last 3 program years = eligible for up to \$20,000



Application Forms

- ☐ Application Information
- ☐ Economic Disadvantage
- ☐ Financing
- ☐ Organizational Capacity
- ☐ Primary Activity
- ☐ Obligations, Terms & Conditions
- ☐ Drug Free Workplace
- ☐ Authorized Signatory page



NAP – Important Dates

| | |
|---------------------------------------|-------------------|
| Application Webinars | April 2 & 8, 2009 |
| Application Workshop | April 15, 2009 |
| Application Due Date | May 1, 2009 |
| Applicants posted on IHCD Web site | May 5, 2009 |
| Award Announcements posted online | June 5, 2009 |
| Award Webinar | June 11, 2009 |
| Award Workshop | June 18, 2009 |



Questions?

*2009-2010 NAP Policy & Application Forms are on
IHCDA Web site:*

<http://www.in.gov/ihcda/2526.htm>

Thank you for attending.

